

WATER ALLOCATION PROGRAM DEVELOPMENT WATER RATES/FEES SUBCOMMITTEE MEETING

MINUTES OF MEETING

12/11/02

Members Present

Ted Garille
John Bell
Jeanne Bondarevskis
Anna Coelho*
Guy Lefebvre
Al Mancini

Members Absent

Ken Payne
**designee for Tony Simeone*

Water Resources Staff Present

Connie McGreavy

I. CALL TO ORDER

Mr. Garille called the meeting to order at 10:15 AM.

II. APPROVAL OF MINUTES

After reviewing the November 15, 2002 minutes, the committee made several suggestions. Ms. McGreavy stated that items requiring action be included in the meeting minutes so that members can remember what items they are responsible for accomplishing. Mr. Bell indicated that he is in the process of compiling a water rate study for approximately 30 of the major water suppliers. After the above items were discussed, on a motion made by Ms. Bondarevskis, seconded by Mr. Bell, the minutes of the November 15, 2002 meeting were approved.

III. ITEMS FOR ACTION

A. Designee to Take Meeting Minutes

Mr. Garille indicated that Ms. Coelho would take meeting minutes and that he is in the process of finding a designated individual to take minutes at all the meetings.

IV. ITEMS FOR DISCUSSION

A. Update on November Water Allocation Program Advisory Committee (WAPAC) Meeting

Mr. Bell reported on the WAPAC Meeting held at the URI bay campus on November 15, 2002. He added that the next meeting would be December 11, 2002. Mr. Bell reported that the Water Rates/Fees Committee discussed standardized billing units, and the benefits of implementing a statewide conservation charge (*See Attachment A*).

B. Differing Rate Structures throughout the State

Mr. Lefebvre discussed how confusing water bills can be and the need for water to be measured in gallons rather than hundred cubic feet (HCF). The group discussed how the average consumer does not pay attention to water bills and the need to educate consumers. The committee discussed the use of software to illustrate water use over time. The issue of understanding residential water use in landlord/tenant situations was also reviewed, and whether there could be standardization of water rates. Water and sewer use is measured differently, sometimes assessed as a fixed fee, built into the property tax or based on consumption.

Mr. Garille stated that Pascoag gives away residential retrofit kits containing water saving devices. However, no pre-installation or post-installation audits are conducted. He would like to see certain outdoor watering practices that are wasteful targeted, such as municipal ordinances that would require timers on outdoor water sprinklers. Further discussion revolved around the sufficiency of the state plumbing code (and enforcement) to address conservation. Mr. Lefebvre stated that the Environment Council of RI is advocating for more conservation. Ms. McGreavy will provide a report on Westerly's residential retrofit program to Mr. Bell for study. It was reported that Dave Nickerson of the Providence Water Supply Board gave a presentation on residential retrofit programs for the New England Water Works Assn. a few years ago.

Ms. Bondarevskis explained that the Providence Water Supply Board requested an employee to manage the MUTAP (Major Users Technical Assistance Program) but the RI Public Utilities Commission denied the request. Mr. Garille thought that the RI Water Resources Board should hire someone to manage the program, but that any technical assistance must be "free" as an incentive to use it. He thought that a reasonable payback period to cover investment was three years. Mr. Garille reminded the committee that RISE (Rhode Islanders Saving Energy)—now defunct—used to do energy conservation audits for free. An effort like RISE geared to water conservation could be effective, and potentially capture the private well owner market. Ms. McGreavy mentioned that the Education Committee was investigating the use of bill stuffers as a tool to help educate the public. She added that the Univ. of RI-Cooperative Extension Service has an excellent program to assist well owners.

Mr. Garille also discussed the importance of central, objective, oversight of the public water supply community with respect to enforcement of mutual aid agreements and operation of statewide interconnections, as well as the need for strong leadership during emergencies. Citing drought response as an example, he believed that it is problematic when districts take steps independently, such as imposing water restrictions that are different from adjacent districts.

C. Enactment of a "Demand Side Management" (DSM) Fee

The committee discussed the need to assess a conservation surcharge fee. Mr. Lefebvre said that the committee should assess who the users are first, and that more research needs to be done. He added that the US EPA uses a baseline of 3%-

5% of household income for water supply and wastewater treatment. Mr. Bell wondered whether two charges might be too much for Rhode Island. Mr. Garille felt that all charges for water and sewer in Rhode Island were too low. Ms. McGreavy indicated that private well owners could be assessed a flat fee. Ms. Bondarevskis indicated that if a surcharge is levied, it should be administered by the agency running the statewide program rather than individual water suppliers. There was additional discussion regarding whether water suppliers actually charge for the product (water) or just its transmission and delivery. Ms. McGreavy indicated that she will get a list of “non-accounted for” water categories and hydrant charges. Mr. Garille added that a [standard] rate structure during drought was needed. He emphasized the benefits inherent in building more predictability into the water management process.

Mr. Garille then discussed the similarities between water utilities and electric utilities. He explained that a fee similar to a DSM charge placed on electricity consumption could be assessed on water. Ms. Bondarevskis volunteered to calculate the potential annual revenue from a \$1.15 per month DSM fee for Providence consumers, which could then be calculated for the other large suppliers. Mr. Garille expressed the need for legislation to be introduced that will help promote conservation practices among water suppliers and consumers. He felt strongly that any funds raised should be placed in a restricted receipts account. Mr. Bell and Mr. Lefebvre volunteered to provide the committee with an article from the March 2001 Journal of the New England Water Works Assn. titled, “*2000 Water Rate Survey for Massachusetts Communities*”.

D. Categorization and Identification of Users

The group discussed effects from users who do not have their water metered such as irrigators and manufacturers that draw directly from streams, fire departments, etc. Mr. Bell raised the fact that problems occur since water use is not always metered, and that in some cases, sewer bills are higher than water bills. Frequency of metering is also an issue, especially for small water suppliers. Mr. Bell added that meters with leak detection are needed for residential users. A surcharge could pay for education on water meter use for private well owners. Ms. Coelho distributed a list of active public water systems in the state (Source: RI Dept. of Health), some of which are operated by municipalities, regional water districts or private entities. Ms. McGreavy mentioned that state records of private well owners are incomplete. Ms. McGreavy asked whether all emergency interconnections are metered. She indicated that she will do research to see where meters are required.

Mr. Lefebvre said the committee should explore the idea of integration of water use/wastewater discharge fees. The committee decided to wait until the next meeting to ask Mr. Simeone of the RI Clean Water Finance Agency for his thoughts.

V. OTHER BUSINESS

A. Expansion of Committee Membership

Mr. asked committee members to recruit people from other organizations to be on the committee. He also asked each committee member to designate an alternate to attend meetings when they are unavailable.

B. Location of Future Meetings

Mr. Garille indicated that the next meeting would be held at the Providence Water Supply Board facility at 552 Academy Ave. He stated that Mr. John Muro of Energy New England would be the guest speaker at the January meeting. He volunteered to invite a representative from Ocean State Power to attend. Ms. McGreavy distributed an excerpt from a Connecticut water supply management report, titled *Potential Funding Sources for Comprehensive Water Resource Management Scheme in Connecticut*. She asked committee members to review it. She also distributed an email from Lincoln Water Commission proposing other ways to increase revenues than by increasing rates.

VI. ADJOURNMENT

On a motion made by Mr. Garille, seconded by Mr. Bell, the meeting adjourned at 11:55 AM.

Respectfully submitted,

Anna Coelho
RI Clean Water Finance Agency

Connie McGreavy
RI Water Resources Board

ATT. A: Addendum to Minutes of Rates Committee Meeting 11/15/02

**Note: For more information on Water Allocation, visit: <http://www.seagrant.gso.uri.edu/scc/wrb/index.html>*